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ABSTRACT

Preliminary data and analyses on student financial aid during 1983-1984 are presented, based on a policy seminar at which a national survey of aid recipients was examined. Evidence suggests that students, especially those from low-income backgrounds, increasingly rely on loans as a form of college financing. Financial aid participation rates among minority students has also been declining, while proprietary students depend heavily on loans and Pell grants. The 1983-1984 Survey of Student Aid Recipients investigated the distribution of student financial aid, characteristics of students receiving aid, and the role that aid plays in the financing of college. Data are provided on: the sample of institutions by type; the average cost of attendance; total enrollment; total aid recipients as percent of total enrollment; total federal aid recipients as a percent of total enrollment; the age distribution of aid recipients; the percent who are minority; the age and income distribution of dependent and independent students; student expenses; student resources (parental contribution, grants, student employment, loans, and student contributions); recipients of aid sources at public and private institutions; and graduate student aid recipients at private institutions. (SW)

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AMERICAN COUNCIL ON EDUCATION
Division of Policy Analysis and Research

Who Gets Student Aid: A 1983-84 Snapshot

Summary of a Policy Seminar Held July 19, 1984

As the time to reauthorize the Higher Education Act of 1965 approaches, and as students and families continue to face the challenges of financing postsecondary education, it is important to have timely, dependable information on those that receive student financial assistance. On July 19, 1984, the American Council on Education (ACE) and the Association Council for Policy Analysis and Research (ACPAR) sponsored a Policy Seminar entitled, "Who Gets Student Aid: A 1983-84 Snapshot." Data was presented at this seminar from a national survey of student aid recipients at public and independent colleges and universities. These data go a long way toward answering questions concerning the amount of aid students receive; the mix of grants, loans, and work-study received by these students; and the roles that the Federal Government, states, and institutions play in meeting college costs.

The survey, funded by the Ford Foundation, was a joint project of the National Institute of Independent Colleges and Universities (NIICU), the American Association of State Colleges and Universities (AASCU), the National Association of State Universities and Land-Grant Colleges (NASULGC), and the American Association of Community and Junior Colleges (AACJC). It is comparable to a similar effort conducted for the 1981-82 academic year and builds upon an idea conceived by NIICU in 1978. The data and analyses presented here are preliminary. While the results may vary slightly when the full data set is compiled, these data are generally reliable.

Perhaps the most significant conclusion of the preliminary analysis of the data is the increasing reliance of students, especially those from low-income backgrounds, on loans as a form of college financing. Julianne Still Thrift, executive director of NIICU, reported that 59 percent of dependent undergraduate aid recipients secured Guaranteed Student Loans in 1983-84, as compared to 23 percent four years ago. Thrift explained that dependent students at independent colleges whose family incomes exceeded $15,000 were more likely to have a GSL than a Pell Grant; in 1979-80 the comparable income level was $36,000. The average loan size for these students in 1983-84 was over $2,200.

Jacob Stampen, a Professor of Educational Administration at the University of Wisconsin, reported that more than one-third of the dependent aid recipients at public colleges and universities were issued GSL's in 1983-84 for an average of $1,910. A similar percentage of independent students secured these loans, averaging more than $2,000 each.

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Data was also presented on the aid received by graduate students, where even more reliance on Guaranteed Student Loans was found. Two-thirds of the graduate student aid recipients at independent colleges and 86 percent of those at public colleges secured GSL's. For independent college students these loans averaged over $4,500, while at public colleges the average was under $4,000.

Another subject of concern was the evidence of declining financial aid participation rates among minority students. The proportion of minority students receiving federal aid at public schools fell from 34 percent to 28 percent between 1981-82 and 1983-84. Stampen concluded that there is legitimate cause for worry about minority and low-income participation. Julianne Still Thrift noted that although independent schools had registered a slight rise in the proportion of minority students receiving federal aid, this was almost entirely due to increased use of GSL's. Arnold Mitchem, director of the National Council of Educational Opportunity Associations, sounded the strongest note; he found cause for alarm on this issue, terming the data "chilling." Mitchem also noted that student aid alone does not provide enough of an incentive for disadvantaged and minority students to participate in higher education. He described the TRIO programs, which provide a wide variety of services to help students finance and cope with the demands of postsecondary education, as essential supplements to direct aid programs.

In addition to Mr. Mitchem, Thomas Wolanin, legislative aide to Congressman William D. Ford (Dem., Michigan), and William Clohan, counsel to the Association of Independent Colleges and Schools, were invited to respond to the data and to talk about "closing the information gap."

Wolanin spoke of the need among members of Congress to know whether student aid works, i.e. whether it is worth the federal investment. Congress would like to know the answers to a great many questions, remarked Wolanin, many of which are in fact value judgements, such as the proper level of family contributions. Wolanin also stressed the need to respond to "hot" Congressional issues with appropriate facts as well as the desire of Congress and Congressional staff to be able to anticipate the results that will occur when changes are made to the student aid programs.

The unique needs and characteristics of proprietary students and schools were addressed by Mr. Clohan. In his remarks, Clohan observed that proprietary students depend heavily on loans and Pell Grants because they commonly have no other sources of aid available to them. He reported that a larger proportion of proprietary students are minority and they are generally from lower-income families than their college counterparts. Clohan also spoke from his perspective as a former Under-Secretary of Education and Congressional staffer, and detailed the need for more case studies to illustrate the effects of student aid and the benefits of using graphic presentations to display complex and confusing data.

Attached to this summary are the materials distributed at the seminar, including the preliminary findings from the data. Early this fall, NIICU and AASCU will be publishing detailed reports that examine the characteristics of aid recipients at independent and public colleges and universities, respectively. Please contact them for information on how to obtain these reports.

WHO GETS STUDENT AID: A 1983-84 SNAPSHOT

The 1983-84 Survey of Student Aid Recipients is a joint project of the National Institute of Independent Colleges and Universities, the American Association of State Colleges and Universities, the National Association of State Universities and Land-Grant Colleges, and the American Association of Community and Junior Colleges. Funded by the Ford Foundation and coordinated by the American Council on Education, this survey is designed to gather comprehensive information on the distribution of student financial assistance, the students receiving aid, and the role that aid plays in the financing of postsecondary pursuits.

The data presented today tell us a great deal about who gets student aid and the combinations of aid sources that students receive. Information is available on the role of federal aid programs, state programs, and institutionally sponsored assistance. The relationship between loans, grants and work-study assistance can be explored using these data as can the contributions made by parents and students to the total cost of education. The data presented on graduate student aid recipients enables us to examine the educational costs and sources of aid that are unique to these students.

The information prepared for this seminar represents an initial analysis of the 1983-84 survey. The data are preliminary and are based on the survey responses received by mid-June. Further analyses will include the complete data sets, and the results may differ slightly from the information presented today. While we are confident that the material provided for the seminar is accurate, timely, and reliable, we encourage you to secure copies of the final reports on the surveys which will be produced by NIICU and AASCU in the early fall. These reports will contain more in-depth analyses and present a more detailed look at who gets student aid.

For more information on this project, please contact Scott E. Miller, Senior Research Associate with ACE at (202) 833-4744; Julianne Still Thrift with NIICU at (202) 483-9434; or Jacob Stampen of the University of Wisconsin-Madison at (608) 263-4485.

Table 1

General Characteristics:

Institutions and Students Represented by the Data

	Independent Institutions	Public Institutions
Total number of institutions:[1]		
sample	132	192
population	1032	1357
Institutions by type: (number)		
Universities	63	113
Comprehensive	237	339
Liberal Arts I	115	0
Liberal Arts II	344	11
Two-year	78	848
Specialized	160	46
Unclassified	35	0
Average cost of attendance[2]	$8826	$5094
Total enrollment (headcount)	2.1 million (est.)	9.6 million (est.)
Total aid recipients as a % of total enrollment	59% (est.)	31% (est.)
Total federal aid recipients as a % of total enrollment[3]	43% (est.)	26% (est.)

[1] Surveys were limited to institutions with enrollments of 500 or more.

[2] Includes tuition, fees, room, board and other budgeted expenses for federal aid recipients.

[3] Defined as recipients of at least one of the following: Pell, SEOG, NDSL CWS, and GSL.

Table 2

Profile: All Recipients of Federal Aid, 1983-84

	Independent Institutions	Public Institutions
Average Age	22	23
Percent who are:		
18 or less	11%	9%
19-21	52	44
22-25	23	26
26 or more	14	21
Percent minority	18%	28%
Family income:		
Under $6,000	17%	27%
$6,000-12,000	12	21
$12,000-18,000	13	16
$18,000-24,000	12	12
$24,000-30,000	13	10
$30,000-36,000	10	6
Over $36,000	23	8
Status:		
Dependent	77%	60%
Independent	23	40

Table 3

Profile: Dependent and Independent Recipients of Student Aid, 1983-84

	Independent Institutions	Public Institutions
DEPENDENT STUDENTS		
Average Age	20	20
Percent who are:		
18 or less	14%	15%
19-21	63	62
22-25	21	21
26 or more	2	2
Percent minority	17%	28%
Family income:		
Under $6,000	10%	12%
$6,000-12,000	11	19
$12,000-18,000	13	19
$18,000-24,000	13	16
$24,000-30,000	16	15
$30,000-36,000	12	8
Over $36,000	25	11
INDEPENDENT STUDENTS		
Average Age	28	27
Percent who are:		
18 or less	2%	1%
19-21	14	17
22-25	29	33
26 or more	56	49
Percent minority	21%	29%
Family income:		
Under $6,000	50%	58%
$6,000-12,000	20	26
$12,000-18,000	14	10
$18,000-24,000	8	4
$24,000-30,000	6	2
$30,000-36,000	1	0
Over $36,000	1	0

Table 4

Student Expenses and Sources of Support:
Dependent Recipients of Federal Aid, 1983-84

	Independent Institutions		Public Institutions	
	Average Dollars	Percent of Total Costs	Average Dollars	Percent of Total Costs
STUDENT EXPENSES:				
Tuition, fees	5088	60	1117	27
Other	3452	40	3065	73
Total, expenses	$8540	100%	$4182	100%
STUDENT RESOURCES:				
Parental Contribution	$2216	26%	$1025	25%
Grants (Need-Based)				
Pell	495	6	725	17
SEOG	176	2	106	3
State (incl. SSIG)	578	7	168	4
Institutional	495	6	26	1
Total, Grants	$1743	20%	$1025	25%
Student Employment				
College Work-Study	423	5	264	6
State/Institution	193	2	6	0
Total, Employment	$616	7%	$270	6%
Loans				
NDSL	302	4	188	5
GSL/FISL	1627	19	784	19
Institutional	36	0	4	0
Total, Loans	$1965	23%	$976	23%
Student Contributions	$1280	15%	$648	16%
Other Aid	$ 639	8%	$168	4%
TOTAL, ALL RESOURCES	$8460	99%	$4112	98%
REMAINING NEED	$81	1%	$70	2%

NOTE: Each dollar figure is an average; individual averages may not precisely add to subtotals and total averages.

Table 5

Student Expenses and Sources of Support:
Independent Recipients of Federal Aid, 1983-84

	Independent Institutions		Public Institutions	
	Average Dollars	Percent of Total Costs	Average Dollars	Percent of Total Costs
STUDENT EXPENSES:				
Tuition, fees	4055	42	899	15
Other	5696	58	5158	85
Total, expenses	$9751	100%	$6057	100%
STUDENT RESOURCES:				
Grants (Need-Based)				
Pell	1140	12	897	15
SEOG	126	1	100	2
State (incl. SSIG)	517	5	120	2
Institutional	1140	12	14	0
Total, Grants	$2924	30%	$1131	19%
Student Employment				
College Work-Study	285	3	347	6
State/Institution	275	3	9	0
Total, Employment	$560	6%	$356	6%
Loans				
NDSL	274	3	192	3
GSL/FISL	1463	15	863	14
Institutional	57	0	2	0
Total, Loans	$1794	18%	$1057	17%
Student Contribution	$3114	32%	$3246	54%
Other Aid	$505	5%	$139	2%
TOTAL, ALL RESOURCES	$8896	91%	$5929	98%
REMAINING NEED	$855	9%	$128	2%

NOTE: Each dollar figure is an average; individual averages may not precisely add to subtotals and total averages.

Table 6

Recipients of Selected Aid Sources at **Independent Institutions**, 1983-84

DEPENDENT UNDERGRADUATE AID RECIPIENTS

SOURCE OF FUNDS	Percent Receiving	Mean Award Per Recipient
Pell Grant	34%	$1168
SEOG	19	768
College Work-Study (All Sources)	43	1239
NDSL	25	994
GSL	59	2237
State Need-Based	34	1541
Institutional Need-Based	41	1797

INDEPENDENT UNDERGRADUATE AID RECIPIENTS

SOURCE OF FUNDS	Percent Receiving	Mean Award Per Recipient
Pell Grant	70%	$1460
SEOG	16	733
College Work-Study (All Sources)	28	1858
NDSL	23	1085
GSL	54	2373
State Need-Based	32	1481
Institutional Need-Based	27	1484

Table 6 (Continued)

Recipients of Selected Aid Sources at Public Institutions, 1983-84

DEPENDENT UNDERGRADUATE AID RECIPIENTS

SOURCE OF FUNDS	Percent Receiving	Mean Award Per Recipient
Pell Grant	62%	$ 994
SEOG	17	527
College Work-Study (All Sources)	23	1030
NDSL	22	534
GSL	35	1910
State Need-Based	27	583
Institutional Need-Based	5	583

INDEPENDENT UNDERGRADUATE AID RECIPIENTS

SOURCE OF FUNDS	Percent Receiving	Mean Award Per Recipient
Pell Grant	70%	$1027
SEOG	14	587
College Work-Study (All Sources)	19	1543
NDSL	16	967
GSL	34	2042
State Need-Based	18	557
Institutional Need-Based	3	517

Table 7

Graduate Student Aid Recipients at **Independent Institutions**, 1983-84

STUDENT CHARACTERISTICS

	Percent of Recipients
Sex:	
Male	59%
Female	41
Average Age	28
Registration Status:	
Full-time	87%
Part-time	10
Unreported	3

AID RECEIVED

	Percent Receiving	Mean Award Per Recipient
GSL	68%	$4585
NDSL	14	1825
College Work-Study (All Sources)	19	3143
State Need-Based	5	1359
Institutional Need-Based	13	2601

Table 7 (Continued)

Graduate Student Aid Recipients at Public Institutions, 1983-84

STUDENT CHARACTERISTICS

	Percent of Recipients
Sex:	
Male	52%
Female	48
Average Age	28
Registration Status:	
Full-time	87%
Part-time	10
Unreported	3

AID RECEIVED

	Percent Receiving	Mean Award Per Recipient
GSL	86%	$3868
NDSL	30	1778
College Work-Study (All Sources)	13	2192
State Need-Based	3	713
Institutional Need-Based	4	2335